

Lakes Blue Energy NL

ACN 004 247 214

PROSPECTUS

For the offer of up to 1,000 Shares at an Issue Price of \$0.75 per Share to raise approximately \$750 (before expenses).

This Prospectus has been prepared primarily for the purpose of Section 708A(11) of the Corporations Act to remove any restrictions on the on-sale of previously issued Shares by the Company.

Important Information

This Prospectus is an important document and requires your attention. You should read the contents and instructions in this Prospectus and on the Application Form in their entirety. If you do not understand their contents or are in any doubt about the course you should follow, please consult your stockbroker, accountant, financial planner or other professional adviser without delay and before making an investment decision. The Shares offered under this document should be considered speculative.

CORPORATE DIRECTORY

Lakes Blue Energy NL

ACN 004 247 214

Directors

Richard Ash	(Non-Executive Director)
Roland Sleeman	(Executive Director)
Nicholas Mather	(Non-Executive Director)
Boyd White	(Non-Executive Director)

Company Secretary

Elissa Hansen

Registered Office

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Millers Point, NSW 2000

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Share Registry*

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ASX Code

Ordinary shares: LKO

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KEY DATES

Proposed Timetable

Lodgement of Prospectus with ASIC and ASX	4 July 2025
Opening Date	4 July 2025
Closing Date (5:00pm Sydney time)	5 August 2025
Expected date of allotment of New Shares	14 August 2025
Expected date of quotation of the New Shares	15 August 2025

This timetable is indicative only. The Company reserves the right to vary the dates and times of the Offer without prior notice, subject to compliance with the Corporations Act and Listing Rules.

IMPORTANT NOTE

This Prospectus has been prepared by the Company and is dated 4 July 2025 and was lodged with ASIC on 4 July 2025. No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX within seven days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be officially quoted. The fact that ASX may grant quotation of the Shares offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription.

You should carefully consider whether the Shares are an appropriate investment for you. There are significant risks associated with an investment in the Company. The Shares to be issued under this Prospectus should be regarded as a speculative investment. The Shares carry no guarantee whatsoever with respect to return on capital investment, payment of dividends or the future value of the Shares. Share prices can fall as well as rise.

This Prospectus may not be released or distributed in the United States, or outside Australia generally. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under that act or any applicable US state securities laws.

The distribution of this Prospectus outside of Australia may be restricted by law. The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Electronic Prospectus

The Prospectus is available in electronic form via the Company's website <https://www.lakesblueenergy.com.au>. The electronic version of this Prospectus on the Company's website will not include an Application Form. The Corporations Act prohibits any person passing on to another person an Application Form unless it is attached to a hard copy of the Prospectus or accompanied by the complete and unaltered version of this Prospectus. Prospective applicants should read this Prospectus in its entirety before completing an Application Form. Any person may obtain a copy of this Prospectus free of charge by contacting the Company.

Special Prospectus Content Rules

The Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, as a listed company, the Company is subject to the Listing Rules which, subject to certain exceptions, require immediate disclosure to the market of any information the Company has, and which a reasonable person would expect to have, a material effect on the price or value of its securities.

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act which are applicable to a “transaction specific prospectus”. In general terms, a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of the offered securities on the Company and the rights and liabilities attaching to the offered securities to the extent it is reasonable for investors and their professional advisors to expect to find it in this Prospectus. It is not necessary to include general information in relation to all the assets and liabilities, financial position, profits and losses or prospects of the Company unless it has not previously been disclosed but is relevant to these matters.

This Prospectus is intended to be read in conjunction with publicly available information on the Company which has been notified to ASX.

Copies of documents lodged with ASIC in relation to the body may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of each of the following documents, free of charge, to any person who requests it during the application period for this Prospectus:

- the annual financial report for the Company for the financial year ended 30 June 2024 (being the annual financial report most recently lodged with ASIC by the Company);
- the half-year financial report lodged for the Company for the half-year ended 31 December 2024 (being the financial report lodged with ASIC after the lodgement of the annual financial report, and before lodgement of this prospectus with ASIC); and
- continuous disclosure notices given by the Company after the lodgement of the annual financial report for the financial year ended 30 June 2024, and before the lodgement of a copy of this Prospectus with ASIC. A list of the disclosure notices is set out in section 5.

Risks

The Shares offered under this Prospectus are considered highly speculative and an investment in the Company is not risk free. A non-exhaustive list of some of the key risk factors to an investment in the New Shares and the Company are described in section 4 under the heading “Investment Risks”, which the Directors strongly recommend investors read in full.

The key risks are in relation to:

- Additional funding
- Development
- Economic condition
- Royalty
- New opportunity
- Gas shortfall expectation
- Climate change

- Exploration company
- Rehabilitation

In addition to the above specific risks that relate directly to the Company, there are also other general risks, many of which are largely beyond the control of the Company and its Directors, that investors should consider and which may also have a material impact on the financial position and prospects of the Company, and the market price of the Shares.

Disclaimers

No representation or warranty, express or implied, is made by any person in relation to the fairness, accuracy, completeness or reliability of all or part of this Prospectus, or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. The information in this Prospectus may include information derived from third party sources that has not been independently verified.

Without limiting anything else in this Prospectus, to the maximum extent permitted by law, the Company, its subsidiaries, and their respective partners, directors, officers, employees, agents and advisers disclaim all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through the use or reliance on anything contained in or omitted from this Prospectus, including without limitation, any liability arising from fault or negligence on the part of the Company or its subsidiaries, directors, partners, officers, employees and advisers.

The information in this Prospectus remains subject to change without notice. No person is under any obligation to provide any recipient of this Prospectus with any access to any additional information, or to notify any recipient or any other person of any other matter arising or coming to its notice after the date of the Prospectus.

Privacy

The Company (and the Share Registry on its behalf) collects, holds and uses personal information of security holders in order to service their needs as security holders, provide facilities and services that they request or that are connected with their interests in Shares and carry out appropriate administration.

The information may also be used from time to time and disclosed to persons inspecting the securities register, bidders for the securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers and mail houses.

A security holder may request access, correct and update his or her personal information held by the Company or the Share Registry, by contacting the Company Secretary.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Commonwealth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules of ASX.

1. THE OFFER

Purpose

The Company proposes to raise \$750 by the issue of 1,000 New Shares pursuant to this Prospectus.

The primary purpose of this Prospectus is to raise a nominal amount of capital and to remove any restrictions that would apply to the on-sale of Shares issued by the Company before the date of this Prospectus or whilst the Offer remains open for acceptance, without disclosure under Chapter 6D of the Corporations Act and in the absence of the issue of a cleansing notice under section 708A(5).

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities that are quoted securities of the body; and
- either:
 - a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Use of funds

Net proceeds (if any) will be used for working capital purposes.

Offer recipients

The Offer is only made to the Chief Operating Officer of the Company to apply for New Shares under the Offer. An Application Form will only be provided to the person who is the subject of the Offer. No other investors may participate in the Offer.

Opening and Closing Dates of the Offer

The Opening Date of the Offer is 4 July 2025, and the Closing Date of the Offer is 5pm (Sydney time) on 5 August 2025.

The Directors reserve the right to close the Offer early, or to extend the Closing Date, subject to the application of the Corporations Act and Listing Rules.

Application for Shares

The Offer is being made to the Chief Operating Officer of the Company only and is not open to the general public.

Applications for New Shares must be made using the Application Form accompanying this Prospectus. To the maximum extent permitted by law, the Directors will have discretion over whether to accept any or all Applications. There is no guarantee that any applications will be accepted.

Payment for the New Shares must be made in full at the Issue Price of \$0.75 per New Share.

Completed Application Forms and accompanying cheques must be delivered to the Company at its registered office by hand or by post, and by no later than the Closing Date.

Cheques should be made payable to Lakes Blue Energy NL and crossed “non Negotiable”.

Minimum Subscription

There is no minimum subscription for the Offer.

Allotment of Shares

It is expected that New Shares will be allotted and issued no later than 14 August 2025 with dispatch of holding statements expected to occur on 15 August 2025.

Expenses of the Offer

The estimated expenses payable by the Company for legal fees, registry, printing fees and other costs incurred in preparing and distributing this Prospectus in respect of the Offer are estimated to be approximately \$30,000.

Quotation of New Shares

The Company will make application to ASX for quotation of the New Shares within 7 days of the date of this Prospectus.

If ASX does not grant quotation of the New Shares offered pursuant to this Prospectus before the expiration of three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any New Shares and will repay all Application monies within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant quotation of the New Shares offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Enquiries

Any enquiries regarding the Offer or this Prospectus should be directed to the Company Secretary at elissa.hansen@cosecservices.com.au.

2. EFFECT OF THE OFFER

Capital structure

On 17 June 2025, the Company announced a placement of 8,663,667 Shares to sophisticated and professional investors (**Placement**). The Placement takes place in two tranches with the first tranche of 7,993,667 Shares being issued immediately after the date of this Prospectus, and 670,000 Shares to be issued during the Offer Period subject to the approval of Shareholders.

At the upcoming Extraordinary General Meeting, the Company is seeking Shareholder approval to issue:

- up to an additional 4,500,000 Shares to sophisticated and professional investors at the Issue Price to raise up to an additional \$3,375,000; and
- an additional 848,032 Shares to the Directors of the Company, to participate in the Placement.

The following table sets out the expected securities of the Company on issue, based on:

- the capital structure of the Company as at the date of this Prospectus;
- the issue of 7,993,667 Shares as the first tranche of the Placement;
- the issue of 670,000 Shares as the second tranche of the Placement (subject to Shareholder approval);
- the issue of 848,032 Shares to Directors (subject to Shareholder approval); and
- the completion of the Offer, assuming it is fully subscribed.

Quoted Shares	Number
Shares on issue at the date of this Prospectus	58,770,705
Shares issued under the first tranche of the Placement	7,993,667
Shares issued under the second tranche of the Placement	670,000
Shares issued to Directors	848,032
New Shares to be issued under this Prospectus	1,000
Total Shares on issue (notional expanded capital)	68,283,404

Effect of Offer on Voting Power in the Company

The issue of 1,000 Shares under the Offer will not have any discernible effect on the Voting Power in the Company.

For completeness, the table below sets out the effect on the Voting Power of the significant Shareholders of the Company as a result of:

- the issue of 7,993,667 Shares as the first tranche of the Placement;
- the issue of 670,000 Shares as the second tranche of the Placement (subject to Shareholder approval);

- the issue of 848,032 Shares to Directors (subject to Shareholder approval); and
- the completion of the Offer, assuming it is fully subscribed.

Shareholder	Number of shares (before tranche 1)	Voting Power	Number of shares (tranche 1)	Voting Power	Number of shares (tranche 2 and Offer)	Voting Power
NewPeak Metals Limited	9,584,616	16.31%	9,584,616	14.36%	9,584,616	14.04%
Tenstar Trading Limited	5,233,109	8.90%	5,233,109	7.83%	5,233,109	7.66%
DGR Global Limited	3,767,701	6.41%	3,767,701	5.64%	3,767,701	5.52%
Hancock Prospecting Pty Ltd (Timeview Enterprises Pty Ltd)	2,720,821	4.63%	2,720,821	4.08%	2,720,821	3.98%
Remaining Shareholders	37,464,458	63.75%	45,458,125	68.09%	46,977,157	68.80%
Total	58,770,705	100.00%	66,764,372	100.00%	68,283,404	100.00%

Financial effect of the Offer on the Company

There will be no net proceeds from the Offer, after the costs of the Offer have been met. The Company will meet the expenses of the Offer (exceeding \$750) from its existing cash reserves, which will be reduced by the costs of the Offer.

3. COMPANY'S SHARE PRICE ON ASX

The last sale price of Shares on ASX on 29 September 2023 prior to suspension from quotation on 2 October 2023 (being the last trading day before the date of this Prospectus of 4 July 2025) was \$1.00.

The Shares have been in suspension from quotation since 2 October 2023, meaning the Shares have not been traded on ASX during the three months immediately preceding 4 July 2025.

4. INVESTMENT RISKS

This section identifies some of the major risks associated with an investment in the Company. Investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to subscribe for New Shares.

Prospective investors should be aware that subscribing for New Shares involves various risks. The New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. An investment in New Shares should be considered very speculative.

The principal risk factors applicable to the business of the Company include but are not limited to the following.

Additional funding risk

The Company may need to raise additional funds in the future. There is no assurance that the Company will be able to secure additional funding, if required, whether debt, equity or otherwise. If the Company is able to secure additional funding there is no assurance that such funding will be on terms which are acceptable to the Company or its shareholders. Additional equity funding will dilute the holdings of existing shareholders.

Development risk

The Company's major assets include the wholly-owned wells situated in the Wombat and Trifton/Gangell Gas Fields within PRL 2, and a royalty on net wellhead revenue from any future petroleum production in PEP 169. The Company also has a number of other assets, which may be developed in the medium to long term. Each of these assets will require further development to be commercially exploitable and the Company can make no representations that such further development will be successful. Successful development of these assets is reliant, at least in part, on third parties performing necessary services, the support of state and federal governments and global economic conditions (each of which are discussed further in this section 4).

Economic condition risk

Economic conditions, inflation rates, interest rates, currency exchange rates and government policy may have an adverse effect on the exploration, development and value of the Company's assets, and the Company's ability to finance its activities on its tenements. These factors, as well as investor sentiment may also impact the performance of the Company's securities on ASX or any other securities exchange where the Company's securities may be quoted from time to time.

Royalty risk

The Company's revenue from its wellhead royalty interest in PEP 169 is dependent on the production of petroleum from wells operated by third parties. Accordingly, the performance of the operator of the petroleum wells on PEP 169 from time to time, as well as the volume of petroleum production from these wells, economic conditions, operational disruptions, performance issues, regulatory constraints, and delays in development on PEP 169 will have a direct impact on the financial performance of the Company. This may also have indirect impacts on the Company's

development of its wholly-owned wells situated on PRL 2 given that it is the intention of the Company to attribute proceeds from its royalty over PEP 169 to the development of these projects.

New opportunity risk

The Company may seek, or be approached to participate in, new business opportunities from time to time. While the Directors will approach new opportunities with care and diligence, there is no guarantee that the Company will execute formal documentation in relation to any new opportunity on terms acceptable to the Company. If the Company is able to pursue a new opportunity there can be no assurance that such opportunity will be successful, and it is possible that the Company may divert cash or other resources from existing assets to the development of new opportunities, which may hinder the development of the existing assets.

Gas shortfall expectation

Part of the Company's financial modelling relies on an expectation that the production of gas from its assets will occur at a time when there may be gas supply shortfall in the Australian electricity market, particularly in the regions where the Company's assets are located, providing the Company with an opportunity to fill that shortfall. There can be no assurance that the Company's expectations will prove to be correct.

Climate change risk

The Company recognises that climate change is a shared global challenge and that global and local policies in response to climate change may affect the Company. The Company identifies climate change and climate change regulation as strategic risks that ultimately may affect the Company's future operating and financial performance. These risks include, but are not limited to, unpredictable weather conditions which may have direct or indirect adverse impacts on the Company's operations or customer markets, including capital markets. The Company remains alert to scenarios around global megatrends impacted by climate change, such as globalisation, digitalisation and automation, and how these will impact the Company's future activities.

Exploration company risk

As the Company is an exploration company, the market's perception of the value of its shares can alter significantly from time to time, causing fluctuations in the Company's share price. Fluctuations may also occur as a result of factors influencing the price of shares in exploration companies or share prices generally, as well as drilling activities by other parties in the same general region. The price of shares rises and falls and many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment. The stock markets generally remain volatile. While the Company's exploration portfolio exhibits geological and geopolitical diversity (that is, the diversity of structures to be explored and political regimes within which operations are carried out), such diversity does not overcome all of the abovementioned risks. For example, some of the Company's South Australian interests are held in the form of licence applications which need to convert into exploration licences and then in due course production licences before petroleum can be produced, which carries with it various regulatory and process risks.

Rehabilitation risk

The Company may be liable for rehabilitation costs at each of its wells/sites. Whilst an estimate for these costs has been provided for in the financial statements, rehabilitation costs can be difficult to

estimate and there may be a risk that the realised costs are higher than provided, which would result in an adverse effect on the Company's profitability. Rehabilitation works will not be undertaken in the near term, and the proceeds of the Offer will not be applied toward meeting the cost of these works.

Operating risk

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gasses, the occurrence of any of which could result in substantial losses to the Company due to injury or loss of life, severe damage to, or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. Damages occurring as a result of such risks may give rise to claims against the Company. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of operations of the Company.

Government and regulatory risk

The impact of actions by governments, the ASX, ASIC or other regulatory bodies may affect the Company's operations including matters such as necessary approvals, land access, sovereign risk, additional or increased taxation or regulation, or royalties which are payable on the proceeds of the sale of any successful exploration. Further, the approval of contractual arrangements in relation to exploration permits as well as the renewal of exploration permits is each a matter of governmental discretion and no guarantee can be given in this regard. A failure to obtain any approval would mean that the ability of the Company to participate in or develop any project may be limited or restricted either in part or absolutely. Such initiatives will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

Reserve and resource estimate risk

Hydrocarbon reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice of independent experts. In addition, such estimates are necessarily imprecise and depend to a significant extent on interpretations, which may prove inaccurate. The calculation of any possible volume of hydrocarbons in a prospect may be proved incorrect by future exploration, production, mapping and/or drilling activity. The Victorian Government's onshore exploration ban has prevented necessary exploration/appraisal work from being carried out to refine the Company's assessments of its potential Victorian petroleum resources.

Impairment of non-financial assets risk

The Company's assets are tested semi-annually for impairment in accordance with accounting standards to assess whether the carrying values may exceed recoverable amounts. An impairment loss may be triggered if capitalised exploration expenditure, evaluation and development costs do

not meet the requirements under the accounting standards (AASB 6 - Exploration for and Evaluation of Mineral Resources).

Market demand and pricing risk

Investors should consider the impacts of supply and demand for commodities (especially oil and gas), fluctuations in the prices of those commodities, exchange rates, Australia's inflation rates, taxation laws and interest rates. All of these factors have a bearing on operating costs, potential revenue and share prices. Energy prices are volatile and cannot be controlled. Energy prices have fluctuated widely in recent years, and if the price of hydrocarbons falls significantly and remains depressed, this could affect the financial viability of any reserves discovered. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale. The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted.

Environment risk

In relation to the exploration permits held by the Company, issues can arise from time to time with respect to abandonment costs, consequential clean-up costs and environmental concerns. The Company could become subject to liability if, for example, there is environmental pollution and consequential clean-up costs at a later point in time. It is not possible to quantify any such contingent liability or any changes to environmental legislation that could lead to future liabilities.

Personnel risk

The Company's success depends in part on the core competencies of the Directors and management and the ability of the Company to retain key personnel. Loss of key personnel could have an adverse impact on the Company's performance.

Native title risk

Native title rights could adversely impact on some of the Company's other operations. If the Company's ability to conduct future exploration and/or development and production activities is adversely affected, this may have a material adverse effect on the Company's performance and the price at which its shares are traded.

Industry nature risk

Oil and gas exploration activity, especially drilling, is considered by its nature to be high-risk and is affected by numerous factors. Where exploration is successful, drilling operations can be affected by breakdowns, adverse weather conditions, site and geographical conditions, operational risks, shortage or delays in the delivery of rigs and/or other equipment, industrial disputes, government regulations, environmental issues and unanticipated costs. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company. Exploration may be unsuccessful. Exploration may prove to be more costly than expected or the proposed timing of exploration may not be achieved, thus potentially putting strains on the Company's financial position.

Contractual dispute risk

Contractual disputes with joint venture partners, operators and contractors can arise from time to time. Some of the Company's projects are conducted as joint ventures. Where a venture partner does not satisfy its financial or other commitments or act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company. The Company is unable to predict the risk of financial failure, non-compliance with obligations or default by a participant in any venture to which it is, or may become, a party, or insolvency or managerial failure by any of contractors used by the Company in its exploration activities. Given that the Company has entered into, or may enter into, joint ventures, farmout agreements and royalty arrangements, the inability of those joint venturers, farminees and royalty payers to meet contracted obligations could adversely affect the Company's capacity to carry out its own activities.

Investment risk

Holders of shares have no right to a repayment of their investment. Investors should appreciate that an investment in shares carries risks. The shares may not be tradeable at, or above, their offer price, and liquidity may be thin. The Company's shares are not redeemable in any circumstance and, in the event of external administration or liquidation (i.e., insolvency), are likely to be of minimal value.

Epidemic or other global risk

The Company's operations are dependent upon the availability of suitable qualified and experienced personnel and equipment, such as drilling rigs. Local or widespread epidemics (pandemics) or conflict can adversely impact the availability of, or ability to mobilise, personnel and equipment.

Competition risks

The industry in which the Company operates is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the projects and business of the Company. The Company's competitiveness on the domestic and global scale may be further impacted by government policy (both foreign and domestic) on matters such as energy, climate change, environment. Any tariffs imposed on the import and export of oil and gas may also impact the Company's overall competitiveness.

Bushfire risk

The Company's operations may be carried out in bushfire-prone areas. This can require special measures to be taken when performing, or impact the timing of, the Company's field activities. Alternatively, the outbreak of bushfire may mean activities have to be suspended and additional costs (such as stand-by or replacement costs) incurred.

Further risks

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

- unanticipated operational and technical difficulties;

- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
- uninsured losses or liabilities.

The Company will seek to mitigate these risks to the extent it is possible. However, there is no guarantee that all risks posed can be avoided.

5. ADDITIONAL INFORMATION

Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

As at the date of this Prospectus, all shares on issue in the Company are of the same class and rank equally in all respects. The New Shares issued pursuant to this Prospectus will rank equally with existing shares on issue.

General meetings	Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.
Voting rights	Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders: • each shareholder entitled to vote may vote in person or by proxy, attorney or representative; • on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and • on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which a proxy, attorney or representative is appointed, have one vote for each share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).
Dividend rights	Subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the shareholders entitled to the dividend which shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares. The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be

	applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied. Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on shares which are participating shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of shares.
Winding up	If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considered fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.
Shareholder liability	As the shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.
Transfer of shares	Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.
Further increase in capital	The issue of any new Shares is under the control of the Directors. Subject to the restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.
Variation of rights	Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holdings of the shares of that class.

Unmarketable parcels	Subject to the Corporations Act, the Company may sell or otherwise dispose of the shares of a shareholder who holds less than a marketable parcel of shares on any terms and in the manner and at the time which the Directors determine. For the purpose of selling or disposing of those shares, each shareholder who holds less than a marketable parcel of shares irrevocably: 1. appoints the Company as its agent to sell all the shares it holds; 2. appoints the Company and each Director and Company Secretary from time to time jointly and severally as its attorney in its name and on its behalf to effect a transfer document for its shares and to otherwise act to effect a transfer of its shares; 3. appoints the Company as its agent to deal with the proceeds of sale of those shares in accordance with the Constitution; and 4. permits the Company if permitted by the Corporations Act to pool two or more unmarketable parcels for sale.
Share buy backs	Subject to the Corporations Act and Listing Rules, the Company may buy back shares in itself on terms and conditions determined by the Directors. The consideration paid for a buy back of shares may include specific assets, including securities of the Company or any other corporation, trust or entity.

Directors' and others' interest

Other than as set out in this Prospectus, no Director; proposed Director; person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or promoter of the Company, holds, or has held within two years before the date of this Prospectus, any interest in the Offer or holds, or has held within two years before the date of this Prospectus, any interest in the Offer or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with its formation or promotion or the Offer.

Set out below are the amounts that anyone has paid or agreed to pay; and the nature and value of any benefit anyone has given or agreed to give, to a Director or proposed Director to induce him to become, or to qualify him as, a Director of the Company; or for services provided in connection with the formation or promotion of the Company or the Offer by any Director; proposed Director; person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or any promoter of the Company.

The aggregate number of securities of the Company held directly, indirectly or beneficially by the current Directors or their related entities at the date of this Prospectus are:

Directors	Shares
Mr Richard Ash	503,670
Mr Roland Sleeman	1,614,627
Mr Nicholas Mather	1,090,829
Mr Malcolm (Boyd) White	Nil
Total	3,209,126

The Directors are participating in the placement and subscribing for Shares by applying their outstanding fees payable to them towards subscribing for Shares. The issue of those Shares is subject to Shareholder approval at the upcoming extraordinary general meeting of the Company on 30 July 2025. The following table sets out the Shareholdings of the Directors assuming that the issue of those Shares are approved by Shareholders.

Directors	Shares
Mr Richard Ash	597,003
Mr Roland Sleeman	2,256,924
Mr Nicholas Mather	1,166,385
Mr Malcolm (Boyd) White	36,846
Total	3,706,613

Directors' remuneration

The remuneration of the Directors as at the date of this Prospectus is as follows:

Director	FY25 Cash remuneration	FY25 Share based remuneration
Mr Roland Sleeman ¹	\$46,818	\$93,637
Mr Richard Ash	\$215,125	\$55,000
Mr Nicholas Mather	\$20,000	\$40,000
Mr Malcolm (Boyd) White ²	\$13,817	\$27,634
Total	\$295,760	\$216,271

Litigation

The Company is not currently involved in any material litigation.

Consent

Any third parties named in this Prospectus and not specifically named in this section have not consented to the inclusion of their names in this Prospectus. The Directors assume responsibility for the references to those third parties and the statements that include those references.

¹ Mr Roland Sleeman has billed at a rate of \$320 per hour with no monthly minimum. Mr Sleeman is also entitled to a Director fee of \$60,000 per annum. The balance of unpaid Director fees for the year is expected to be settled in equity instruments.

² Mr Malcolm (Boyd) White was appointed as a director on 23 October 2024.

Clearing House Electronic Sub-Register System (CHES) and issuer sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of the Holder Identification Number or Security Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Material contracts

In the opinion of the Directors, there are no material contracts in the context of the Offer.

Documentation

A copy of the Company's Constitution is available for inspection during normal business hours, free of charge, at the registered office of the Company for 12 months after the date of this Prospectus.

Governing law

This Prospectus, the Offer, and the contracts formed on acceptance of the Application Forms are governed by the laws of the State of New South Wales, Australia. Each person that applies for New Shares submits to the exclusive jurisdiction of the Courts of the State of New South Wales, Australia and the Courts of appeal from them.

ASX disclosures

The Company is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosing obligations under the Corporations Act and the Listing Rules. Copies of documents lodged with the ASX by the Company may be obtained from, or inspected at, an office of ASX, during normal business hours, and on the Company's website at <https://www.lakesblueenergy.com.au>.

This Prospectus is a 'transaction specific prospectus' prepared in accordance with section 713 of the Corporations Act, and accordingly, is only required to contain information in relation to the effect of the issue of the New Shares on the Company, and the rights attaching to the Shares. It is not required to contain information regarding all of the assets, liabilities, financial position and prospects of the Company. Information that is already in the public domain has not been replicated here, other than to the extent the inclusion of such information is necessary to complete this Prospectus.

As required by section 713(4)(a)(iii) of the Corporations Act, the Company specifically refers Shareholders to its 2024 Annual Report and the following ASX disclosures (being all disclosures from the date of the lodgement of the 2024 Annual Report up to the date of this Prospectus) and will give copies of the 2024 Annual Report or these other disclosures to Shareholders on request:

Date	Description
1 November 2024	Appendix 4G and Corporate Governance Statement
6 November 2024	Securities Trading Policy
8 November 2024	Notice of Annual General Meeting/Proxy Form
9 December 2024	AGM Presentation
9 December 2024	Chair's Address to Shareholders
9 December 2024	Results of Annual General Meeting
12 December 2024	Replacement AGM Presentation
13 January 2025	PEP 169 Sale – Second and Final Payment of \$3.5m Received
22 January 2025	Long Term Suspended Entities
24 January 2025	Application for Quotation of Securities – LKO
24 January 2025	Change of Director's Interest Notice
24 January 2025	Change of Director's Interest Notice
28 January 2025	Response to ASX Query
31 January 2025	Quarterly Activities/Appendix 5B Cash Flow Report
14 March 2025	Half Yearly Report and Accounts
9 April 2025	Long Term Suspended Entities
30 April 2025	Quarterly Activities/Appendix 5B Cash Flow Report
16 June 2025	Wombat 5 Drilling Consent in Petroleum Retention Lease 2
17 June 2025	\$6.5 million Placement to Facilitate Drilling at Wombat 5
17 June 2025	Proposed issue of securities - LKO
18 June 2025	\$6.5 million Placement to Facilitate Drilling at Wombat 5
1 July 2025	Notice of General Meeting/Proxy Form

6. GLOSSARY OF TERMS

“Application” means an application for New Shares pursuant to the Offer made on an Application Form.

“Application Form” means an application form accompanying a paper copy of this Prospectus, pursuant to which the recipient of the Offer may apply for New Shares.

“ASIC” means the Australian Securities and Investments Commission.

“ASX” means ASX Limited ABN 98 008 624 691 (also known as Australian Securities Exchange).

“Board” means the board of Directors of the Company.

“Closing Date” means the last date by which Applications will be accepted, which is 5:00pm (Sydney time) on 5 August 2025 or such other date as the Directors determine.

“Company” means Lakes Blue Energy NL ACN 004 247 214 and, where the context requires, includes the Company's subsidiaries.

“Company Secretary” means the company secretary of the Company.

“Constitution” means the constitution of the Company.

“Corporations Act” means the *Corporations Act 2001* (Cth).

“Directors” means the directors of the Company.

“Dollars” or **“\$”** means dollars in Australian currency.

“Extraordinary General Meeting” or **“EGM”** means the extraordinary general meeting of Shareholders scheduled for 30 July 2025, notice for which was given to Shareholders on 1 July 2025.

“Issue Price” means the price payable on subscription for each New Share, being \$0.75.

“Listing Rules” means the Listing Rules of ASX.

“New Shares” means Shares offered under the Offer.

“Offer” means the offer of 1,000 New Shares to the Chief Operating Officer of the Company, under this Prospectus.

“PEP 169” means the Victorian petroleum exploration permit within which the ‘Otway-1’ gas well is located.

“Placement” means the placement of Shares to sophisticated and professional investors, as announced to the market on 17 June 2025.

“PRL 2” means the petroleum retention licence within which the ‘Wombat’ and ‘Trifon/Gangell’ gas fields are located.

“PRL 249” means the petroleum retention lease within which the ‘Nangwarry-1’ gas well is located.

“Prospectus” means this Prospectus dated 4 July 2025.

“Share” means a fully paid ordinary share in the Company.

“Share Registry” means Boardroom Pty Limited ACN 003 209 836.

“Shareholder” means a holder of Shares registered on the share register of the Company.

“Voting Power” has the meaning given to that term in the Corporations Act.

DIRECTORS' STATEMENT AND CONSENT

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of Lakes Blue Energy NL

A handwritten signature in black ink, appearing to read 'Richard Ash', written over a faint horizontal line.

Richard Ash
Chairman